



USAID
FROM THE AMERICAN PEOPLE

SRI LANKA

COUNTRY PROFILE

DECEMBER 2004



Multi-ethnic youth, many of whom lost their homes during Sri Lanka's two decades of conflict, clear ground to build fences for the Muslim, Buddhist and Christian cemeteries. USAID works to bring peace to this mostly Muslim community north of Colombo.

SRI LANKA SNAPSHOT

Date of independence: 1948
Capital: Colombo
Population: 20 million
GDP per person: \$899

**For more information,
see www.usaid.gov
Keyword: Sri Lanka**

OVERVIEW

Despite the fragility of the peace process, the situation in Sri Lanka today is more hopeful than it has been in many years. While the 20-year armed



conflict in Sri Lanka's northern and eastern provinces created a host of development problems, the continued support for the peace process, despite tensions within the government, is encouraging. The U.S. Government remains committed to supporting the cease-fire and ongoing peace process as well as to laying the foundation for long-term development for the country. Potential spoilers of the peace, including mixed communities and youth, are among the

beneficiaries of U.S. assistance. USAID's work focuses on four areas, economic growth, inclusive governance, improving the social and economic status of the poor and those affected by conflict, and supporting the peace process.

PROGRAMS

SRI LANKA BUILDS ITS TRADE OPPORTUNITIES AND WORKFORCE

Energized by the peace, Sri Lanka's economy grew by 4 percent in 2002 and 5.2 percent in 2003. However, infrastructure needs to be rebuilt and jobs created. The government's resources are still limited by the costs of maintaining its security forces and servicing its debt. The interest payments account for more than 30 percent of the government's expenditures. However, Sri Lanka has generous human and natural resources and is well-placed as a regional hub for trade and investment. To take advantage of these opportunities, USAID focuses its efforts on helping the government carry out sound economic policies, improving Sri Lanka's ability to compete in world markets, building the skills of the workforce and creating partnerships to protect Sri Lanka's rich natural environment.

STRONG DEMOCRATIC INSTITUTIONS HELP STRENGTHEN PEACE

The ceasefire agreement between the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam has allowed USAID to focus on a longer-term program to strengthen democratic institutions and build the foundations for a lasting peace. USAID will continue to support the government and community organizations as they continue to build network and conversations for peace, including media training and special programs for youth in areas vulnerable to extremist groups. As part of its long-term ap-

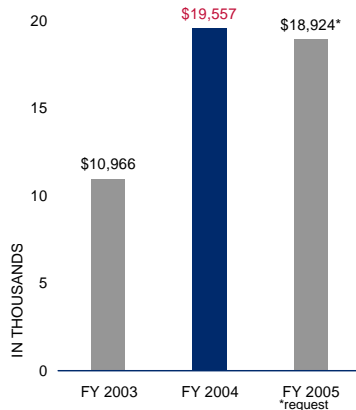


USAID
FROM THE AMERICAN PEOPLE

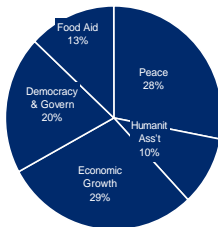
SRI LANKA

COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO SRI LANKA



FY 2004 Budget
Percentage for Each Program Area



proach, USAID helps the national and provincial legislatures budget effectively, deliver public services and become more open and accountable to the people of Sri Lanka. USAID also develops and trains mediation boards to address the many disputes from the conflict and those arising as people return to or settle in new communities.

THOSE AFFECTED BY THE CONFLICT RECEIVE ASSISTANCE

After two decades of conflict, disabled civilians, children and young people have been affected. They have been victims of torture, have lost their homes and now suffer from psychological traumas as the transition to peace continues. USAID trains physical therapy assistants to provide the correct wheelchairs and other aids to those who need them, provides psychosocial services for young children traumatized by war, conflict, abuse and recruitment into the fighting. In addition, USAID has begun to address the most critical HIV/AIDS issues in Sri Lanka, including discrimination towards those ill with HIV/AIDS.

PEACE TAKES HOLD IN SRI LANKA

There are more than 500,000 internally displaced people in Sri Lanka and approximately 85,000 refugees from India. In addition, Sri Lanka has a large youth population, many of whom are unemployed or underemployed. Recognizing the link between unemployment among youth and outbreaks of social unrest in Sri Lanka, USAID supports short-term projects that give training and other opportunities to those groups. In addition, USAID assists community groups and media who help build support for the peace process among the public. The speed of USAID's disbursement of small grants, totaling more than 1.63 million in 2003 alone, has enabled USAID to play a prominent role in these communities.

CONTACT INFORMATION

Mission Director
Carol Becker
USAID/Colombo
Department of State
Washington, DC 20521-6100
Tel: 94-1-472855

Bernadette Bundy
Sri Lanka Desk Officer
Tel: (202) 712-5366
Email: bbundy@usaid.gov